



U.S. Immigration
and Customs
Enforcement

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News Release

Four South Bay residents sentenced for role in operating area brothels ***Defendants sentenced for alien harboring, money laundering, and tax violations***

SAN JOSE – Four defendants linked to the operation of 10 brothels in the South Bay that employed illegal alien women from Asia as prostitutes have been sentenced on alien harboring, money laundering, tax evasion, and conspiracy charges.

The sentences are the result of an extensive investigation by U.S. Immigration and Customs Enforcement (ICE), the U.S. Attorney's Office for the Northern District of California, the U.S. Department of Justice's Civil Rights Division, the Internal Revenue Service-Criminal Investigation (IRS-CI), and the San Jose and San Mateo Police Departments. The investigation began in the fall of 2004, when one of the suspects sought to bribe a police officer to gain the dismissal of local pimping and pandering charges against another one of the defendants.

"The crimes committed by these defendants have a detrimental impact on the quality of life in our neighborhoods, degrade the women involved, and often bring other criminal activity into an area," said Kevin V. Ryan, United States Attorney for the Northern District of California. "I commend the outstanding cooperation by the San Jose and San Mateo Police Departments, IRS-CI, and ICE."

The following defendants were sentenced this month by U.S. District Judge Jeremy Fogel:

Xiao Feng Shen, 35, of San Jose, who previously pleaded guilty to conspiracy to harbor aliens and a money laundering conspiracy, was sentenced today to two years in prison. Shen also agreed to forfeit more than \$70,000 in funds tied to the investigation.

Jia Jing Chu, 34, of San Jose, who pleaded guilty to conspiracy to harbor aliens, was sentenced May 23 to a prison term of 18 months followed by 2 years of supervised release.

Ai-Ching Chang, 45, of Sunnyvale, pleaded guilty in February to conspiracy to harbor aliens and a money laundering conspiracy. She was sentenced May 3 to 30 months in prison. Chang also forfeited more than \$56,000 in funds tied to the investigation.

Ming Sun, 32, of San Jose, pleaded guilty in February to conspiracy to harbor aliens and money laundering conspiracy. He was sentenced today to 20 months in prison. Sun also forfeited more than \$125,000 in funds tied to the investigation.

According to the plea agreements, Shen, Sun, Chu, and Chang admitted that in 2004 and 2005, they employed women as prostitutes in rented, residential locations that masqueraded as unlicensed massage parlors. The defendants further admitted that they rotated the women through the locations periodically and took measures, such as keeping the apartment curtains closed, to avoid attracting attention. The defendants provided the aliens with housing, transportation, supplies for use in the sex trade, and sources of income.

As part of their pleas, the defendants admitted they kept a portion of the proceeds from the women's illicit earnings as their own income. Given the duration of the conspiracy and the number of locations involved, investigators estimate the defendants may have harbored close to 100 illegal alien women.

The money laundering charges against Shen, Sun, and Chang stem from their admission that they collected the proceeds from the locations where the alien women were being harbored and used the money to pay expenses associated with harboring the women.

The amount of funds forfeited in the case so far exceeds \$700,000. This includes money from the defendants' bank accounts, as well as other funds seized during search warrants as well as bribe and protection money.

All of the defendants have been in custody since their arrest in October 2005.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.